

## Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ANKARA IMMEDIATE

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FOL REPEAT 12846 SENT ACTION ATHENS JUN 15

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S E C R E T STATE 128464

E.O. 11652: GDS

TAGS: MASS, GR

SUBJECT: US A-7 AND T-2 SALE TO GREECE AND FMS CREDIT  
ARRANGEMENT

REF: ATHENS 3745

1. IF SUBJECT IS RAISED BY REPRESENTATIVES OF NEWS  
MEDIA HERE, DEPARTMENT PRESS SPOKESMAN WILL PROVIDE  
FOLLOWING STATEMENT: QUOTE THE GOVERNMENTS OF GREECE  
AND THE UNITED STATES CONCLUDED AN AGREEMENT ON JUNE 14,  
1974 PROVIDING FOR THE SALE OF A-7 AND T-2 AIRCRAFT  
TO GREECE UNDER PROVISIONS OF THE FOREIGN MILITARY  
SALES ACT. THE UNITED STATES GOVERNMENT INTENDS TO  
ASSIST THE GOVERNMENT OF GREECE TO FINANCE THIS PURCHASE  
BY EXTENDING CREDITS, ALSO UNDER THE PROVISIONS OF THE  
FOREIGN MILITARY SALES ACT. SUBJECT TO CONGRESSIONAL  
APPROPRIATION OF THE REQUIRED FUNDS AND THE CONTINUANCE  
OF LEGISLATIVE AUTHORITY, IT IS THE INTENTION OF OUR  
GOVERNMENT TO PROVIDE UP TO DOLS 71 MILLION IN FOREIGN  
MILITARY SALES CREDITS IN FISCAL YEAR 1975 FOR THIS

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PURPOSE.

THE PURPOSE OF THIS SALE IS TO ENABLE THE HELLENIC ARMED FORCES TO REPLACE OBSOLESCEMENT AIRCRAFT WITH MODERN EQUIPMENT AND THEREBY ENHANCE THE GREEK CONTRIBUTION TO NATO'S DEFENSIVE CAPABILITY. END QUOTE

2. FOLLOWING CONTINGENCY PRESS GUIDANCE ALSO PREPARES FOR DEPARTMENT SPOKESMAN ON IF-ASKED BASIS FOLLOWING POSSIBLE RELEASE OF STATEMENT IN PARA 1. EMBASSY MAY DRAW UPON AS APPROPRIATE:

Q -- IS THIS TRANSACTION A SALE OR FOREIGN AID?

A -- IT IS A SALE UNDER THE PROVISIONS OF THE FOREIGN MILITARY SALES (FMS) ACT. IN ADDITION, THE U.S. GOVERNMENT INTENDS TO ASSIST THE GOVERNMENT OF GREECE TO FINANCE THIS PURCHASE BY EXTENDING CREDITS, ALSO UNDER THE PROVISIONS OF THE FMS ACT. THUS, THERE ARE ELEMENTS OF BOTH SALES AND ASSISTANCE IN THE TRANSACTION.

Q -- WHY ARE WE SELLING MILITARY EQUIPMENT TO A DICTATORSHIP?

A -- WE WISH TO SEE A STRONG AND EFFECTIVE NATO ALLIANCE, AND GREECE HAS BEEN A STRATEGICALLY IMPORTANT MEMBER OF THE ALLIANCE. AS THE SOVIET NAVAL PRESENCE IN THE MEDITERRANEAN HAS GROWN, THE VALUE TO NATO AND TO US OF STRONG AND WELL-EQUIPPED GREEK FORCES ON NATO'S SOUTHERN FLANK HAS ALSO GROWN. OUR SECURITY COOPERATION WITH THE GOVERNMENT OF GREECE DOES NOT IMPLY AN ENDORSEMENT OF THAT GOVERNMENT'S DOMESTIC POLICIES.

Q -- HOW CAN WE JUSTIFY SELLING AIRCRAFT TO GREECE WHICH THEY MAY USE AGAINST TURKEY?

A -- THERE HAS BEEN, OF COURSE, A LONG-STANDING DISPUTE BETWEEN GREECE AND TURKEY WITH REGARD TO THE CONTINENTAL SHELF BOUNDARY IN THE AEGEAN SEA. WE ARE ENCOURAGED THAT BOTH COUNTRIES HAVE RECENTLY INDICATED A WILLINGNESS TO DISCUSS THEIR DIFFERENCES AND TO TRY TO REACH A PEACEFUL SETTLEMENT.

Q -- WILL THE TURKS NOW WANT TO BUY MORE PLANES TO MATCH  
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THIS GREEK PURCHASE?

A -- IF THE GOVERNMENT OF TURKEY SUBMITS A REQUEST FOR ADDITIONAL AIRCRAFT, WE WILL STUDY THAT REQUEST IN TERMS OF THEIR MILITARY REQUIREMENTS DERIVED FROM TURKISH PARTICIPATION IN NATO.

Q -- WHICH U.S. COMPANIES MANUFACTURE THE AIRCRAFT INVOLVED?

A -- THE A-7 IS A FIGHTER PRODUCED BY LTV AND THE T-2 IS A

JET TRAINER MANUFACTURED BY NORTH AMERICAN ROCKWELL.

Q -- CAN GREECE AFFORD SUCH EXPENSIVE NEW WEAPONS?

A -- WE BELIEVE THE GREEK ECONOMY CAN SUSTAIN THIS FOREIGN MILITARY PROCUREMENT PROGRAM.

Q -- IS THIS AIRCRAFT SALE RELATED TO NEGOTIATIONS ON HOMEPORING?

A -- NO, THERE IS NO DIRECT RELATIONSHIP. BOTH MATTERS, OF COURSE, ARE PARTS OF OUR OVERALL SECURITY COOPERATION WITH GREECE, BUT THERE IS NO DIRECT TIE.

Q -- THE STATED PURPOSE OF THESE SALES IS TO BOLSTER THE GREEK CONTRIBUTION TO NATO. BUT HAVEN'T THERE BEEN REPORTS INDICATING THAT THE POLITICAL SITUATION IN GREECE HAS UNDERMINED THE MORALE AND EFFECTIVENESS OF THE ARMED FORCES?

A -- NATO COMMANDERS BELIEVE THAT THE GREEK ARMED FORCES ARE CAPABLE OF FULFILLING THE ROLE ASSIGNED TO THEM BY NATO.

Q -- DOES THIS TRANSACTION VIOLATE CONGRESSIONALLY-IMPOSED RESTRICTIONS ON ASSISTANCE TO GREECE?

A -- NO. THE SO-CALLED HAYS AMENDMENT LIMITS ASSISTANCE TO GREECE TO \$71 MILLION IN ANY ONE FISCAL YEAR. THE GREEK GOVERNMENT UNDERSTANDS THIS, AND OUR COMMITMENT IN THIS TRANSACTION IS TO PROVIDE CREDITS WITHIN THIS LIMIT.

Q -- HOW MANY AIRCRAFT ARE INVOLVED AND WHAT IS THEIR COST?

A -- IN FOREIGN MILITARY SALES TRANSACTIONS OF THIS TYPE WE PREFER TO LEAVE THE RELEASE OF DETAILED INFORMATION TO THE PURCHASING COUNTRY.

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3. EMBASSY SHOULD PASS PARA 1 STATEMENT TO HELLENIC ARMED FORCES AS EARLY AS PRACTICAL, INDICATING DEPARTMENT INTENDS TO RELEASE STATEMENT TO PRESS ON IF-ASKED BASIS AND RECOMMENDING THAT GOG ALSO USE THIS STATEMENT IN RESPONSE TO ANY PRESS INQUIRY. EMBASSY SHOULD ALSO ARRANGE TO PASS STATEMENT AND Q'S AND A'S IN PARA 2 TO IOANNIDES. TRANSMITTAL OF STATEMENT AND Q'S AND A'S MAY BE ACCOMPANIED WITH MESSAGE THAT THE USG LOULD DEEPLY REGRET IF GREEK PRESS WAS ENCOURAGED OR INDUCED TO BELIEVE THESE AIRCRAFT SALES BEAR ANY RELATION TO GREECE'S DIFFERENCES WITH TURKEY. DEPARTMENT BELIEVES THAT REMAINDER OF POINTS IN REFTTEL, PARA 5, WILL BE EFFECTIVELY CONVEYED TO IOANNIDES BY STATEMENT AND Q'S AND A'S WITHOUT SPECIFIC ELABORATION. SISCO

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